

Huron - Erie Mortgage Corporation

AR80



Canada Trust

Annual Report
1972



RIVER, ST. URBAIN/A. Y. JACKSON
Painted 1930

PROLOGUE

When a company such as ours looks to the future, it must see beyond the figures and the graphs, the profit and the growth. Mankind is the most important factor ahead; without it, growth and profit are non-existent.

Today, large companies are aware that business is but one element in the scheme of things. People are looking beyond the workaday life and are searching for more satisfaction in the things they do.

There is much talk about the environment, about our heritage, our history and the future of our land.

Last year we expressed concern about the environment in the Annual Statement. We were concerned then, and still are, for the future of our land, our waters and our air. To tell the story, we incorporated in the

report six nature seals, to illustrate the need for care.

Hundreds of thousands of these seals were distributed. Each one was produced in poster form. We sponsored a television film series on Canada's natural wonders, which will continue in 1973.

Now, in this 1972 Annual Report, we are using the painted impressions of a group of famous Canadian artists renowned for their love of nature. To keep before us the things we see and feel in the nature of our world, we have produced copies of their works. We have turned them into seals which we hope you will use in correspondence with your friends and business associates. They will serve to remind us all, every day, to protect our land, our waters and our air.

TAPAWINGO

Tapawingo, the Indian name for Place of Joy, is twenty miles from Toronto. It is the sanctuary for a collection of works by Canada's Group of Seven, in Kleinburg, Ontario. It was started in the cottage home of Robert and Signe McMichael, and on the same site today, stands the art gallery called The McMichael Canadian Collection.

The Group of Seven, over the years, lost and gained members, but was composed at one time or another of ten Canadian artists. Examples of their works and those of their closest contemporary, Tom Thomson, are contained in the collection. At Kleinburg, through the eyes of our most famous painters, Canada comes to life in oil and water colours.

The collection of paintings portrays the beauty and ecology we must preserve, natural environments threatened by the hands of man and the march of progress.

Progress must stop short of destruction. It can be done by careful planning and a respect for nature's laws. That is the reason we have used these paintings, produced them as seals and printed them in larger form throughout the Report, to act as a reminder of our land and the people who portray it.

Canada Trust recently acquired an original work "Pinecleft Rocks", by Tom Thomson and has presented it to The McMichael Canadian Collection, to hang in perpetuity with other works by this great artist and his contemporaries. It will serve as a reminder that we care.

A copy of the Tom Thomson painting is enclosed for framing. We hope it brings you pleasure.

We hope you will spread the message by using these seals on your mail...as a reminder to us all to save this land of ours.

More seals are yours for the asking at all Canada Trust offices. If you would like to know the artist and name of paintings reproduced on seals ask for one of our Group of Seven Folders.

Save our Streams

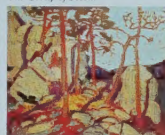
The Group of Seven.



Canada Trust

Save our Parks

The Group of Seven.



Canada Trust

Save our Air

The Group of Seven.



Canada Trust

Save our Parks

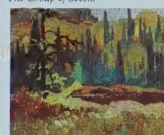
The Group of Seven.



Canada Trust

Save our Lakes

The Group of Seven.



Canada Trust

Save our Forests

The Group of Seven.



Canada Trust

Save our Trees

The Group of Seven.



Canada Trust

Save our Lakes

The Group of Seven.



Canada Trust

Save our Forests

The Group of Seven.



Canada Trust

Save our Lakes

The Group of Seven.



Canada Trust

Save our Trees

The Group of Seven.



Canada Trust

Save our Air

The Group of Seven.



Canada Trust

We hope you will spread the message by using these seals on your mail...as a reminder to us all to save this land of ours.

More seals are yours for the asking at all Canada Trust offices. If you would like to know the artist and name of paintings reproduced on seals ask for one of our Group of Seven Folders.

Save our Streams

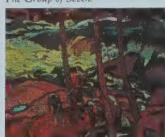
The Group of Seven.



Canada Trust

Save our Parks

The Group of Seven.



Canada Trust

Save our Air

The Group of Seven.



Canada Trust

Save our Parks

The Group of Seven.



Canada Trust

Save our Streams

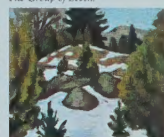
The Group of Seven.



Canada Trust

Save our Trees

The Group of Seven.



Canada Trust

Save our Trees

The Group of Seven.



Canada Trust

Save our Lakes

The Group of Seven.



Canada Trust

Save our Forests

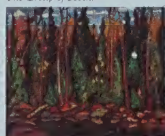
The Group of Seven.



Canada Trust

Save our Forests

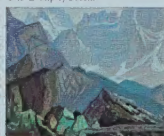
The Group of Seven.



Canada Trust

Save our Air

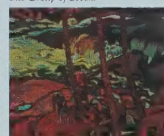
The Group of Seven.



Canada Trust

Save our Parks

The Group of Seven.



Canada Trust

We hope you will spread the message by using these seals on your mail as a reminder to us all to save this land of ours.

More seals are yours for the asking at all Canada Trust offices. If you would like to know the artist and name of paintings reproduced on seals ask for one of our Group of Seven folders.

Save our Streams



10 J.M.W. Turner

Save our Parks



11 J.M.W. Turner

Save our Air



12 J.M.W. Turner

Save our Parks



13 J.M.W. Turner

Save our Streams



14 J.M.W. Turner

Save our Parks



15 J.M.W. Turner

W
R

Save our Streams



16 J.M.W. Turner

Save our Parks



17 J.M.W. Turner

Save our Air



18 J.M.W. Turner

Save our Trees



19 J.M.W. Turner

Save our Parks



20 J.M.W. Turner

Save our Streams



21 J.M.W. Turner

Save our Parks



22 J.M.W. Turner

Save our Lakes



23 J.M.W. Turner

Save our Lakes



24 J.M.W. Turner

Save our Lakes



25 J.M.W. Turner

Save our Trees



26 J.M.W. Turner

Save our Air



27 J.M.W. Turner

We hope you will spread the message by using these seals on your mail as a reminder to us all to save this land of ours.

More seals are yours for the asking at all Canada Trust offices. If you would like to know the artist and name of paintings reproduced on seals ask for one of our Group of Seven folders.

Save our Parks



28 J.M.W. Turner

Save our Streams



29 J.M.W. Turner

Save our Trees



30 J.M.W. Turner

Save our Streams



31 J.M.W. Turner

Save our Parks



32 J.M.W. Turner

Save our Air



33 J.M.W. Turner

THE HURON AND ERIE MORTGAGE CORPORATION
THE CANADA TRUST COMPANY

Head Office: London, Canada.

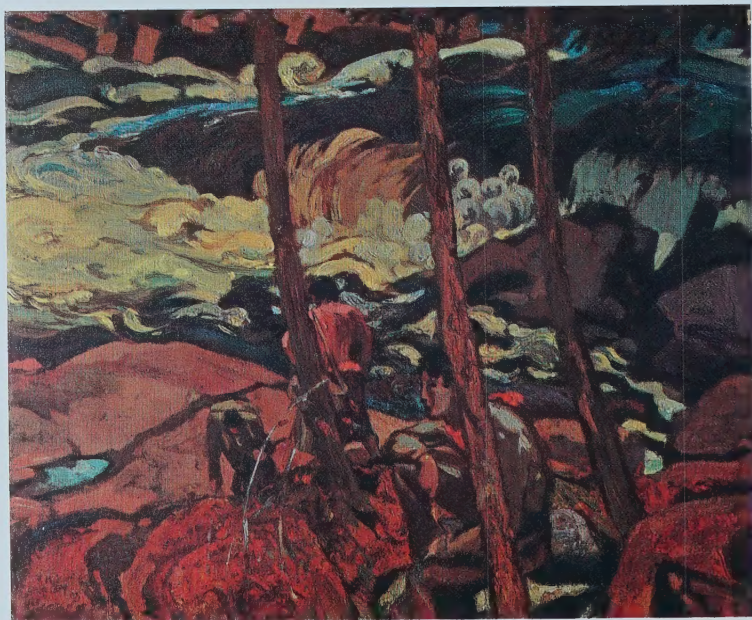
Consolidated Annual Report for the year ended December 31, 1972

FACTS IN BRIEF

	1972	1971
Income	\$ 148,573,000	\$ 130,953,000
Expense	124,339,000	111,170,000
Earnings before taxes	24,234,000	19,783,000
Income taxes	11,280,000	9,621,000
Net operating earnings	\$ 12,954,000	\$ 10,162,000
Net operating earnings per share	\$ 2.35	\$ 1.84
Dividends declared	\$ 5,411,000	\$ 3,313,000
Dividends per share	\$.98	\$.60
Assets under administration	\$ 3,755,000,000	\$ 3,253,000,000
Deposits	1,577,000,000	1,398,000,000
Loans	1,410,000,000	1,251,000,000
Estates, trusts and agencies	2,109,000,000	1,797,000,000
Shareholders' equity	63,000,000	55,000,000
Number of shareholders	4617	4558
Number of employees	2008	1899
Number of branches	81	80



GOAT RANGE, ROCKY MOUNTAINS/J. E. H. MacDONALD
Painted 1932



MOUNTAIN PORTAGE/F. H. VARLEY
Painted 1925

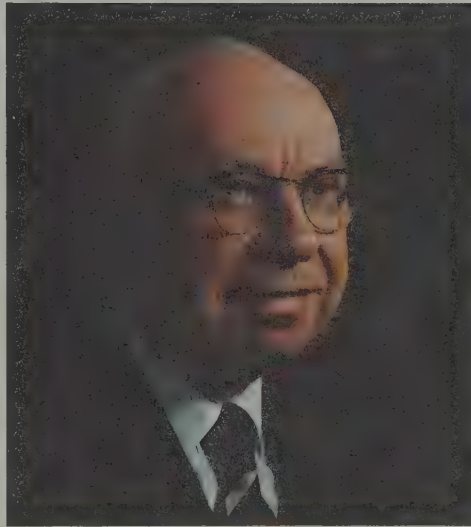
PRESIDENT'S REPORT

In 1972 Canada Trust continued to show substantial growth in business under administration, accompanied by significant improvement in annual earnings and return on invested capital. The story is told in detail in the pages of this Annual Report and particularly in the remarks of the General Manager.

THE GENERAL ECONOMY

The accomplishments of the Company last year were achieved against a backdrop of stable interest rates and a healthy business tempo. Prospects are good for another strong economy in Canada in the year ahead. Industrial activity and earnings are on the increase; employment ranks are rising even though additions to the labour force swell the unemployment total; savings as a percent of disposable income are very high; and exchange rates and interest levels are not expected to undergo any sharp change. Above all there is more confidence in the air than for several years.


At the same time there are causes for some very real concern. Levels of unemployment are bad and likely to remain so despite whatever effort may be made to bring them down. There are signs of another upsurge in consumer prices—a reminder of the relentless inroads of inflation into the soundness of our economy. Exports—our lifeline—are threatened by the current international mood of economic nationalism. We are about to feel the full force of the confusion created by a new tax legislation so complex that it baffles even its authors. And we face government by minority with accompanying inherent temptation to resort to expansionary policies based on political expediency. Such policies would be at variance with what should be done in the months ahead. There should be further tax reduction to stimulate employment in the productive private sector. At the same time there should



be strict limitation on government spending which is the root cause of inflationary pressures. On balance though, thanks to our vast natural resources and our growing industrial base, our strengths continue to outrun our weaknesses. The general economy in 1973 should augur well for business progress.

COMPANY PROSPECTS

The position of the company itself gives good reason for shareholder confidence. There is able management structured to ensure succession of young but mature candidates according to clearly defined plan. And there are the tools that management requires. First, an increasing customer strength, fostered by the most extensive branch system in the trust industry. Second, commensurate financial resources, generated

A black and white photograph showing three men in suits and ties. The man on the left, J. Allyn Taylor, is pointing at a framed painting on an easel. The man in the center, Walter A. Bean, and the man on the right, Arthur H. Mingay, are looking at the painting. The painting is titled "Pinecliff Rocks" by Tom Thomson. The background is dark and indistinct.

A building which once stood in Toronto has been rebuilt on the grounds of the McMichael Canadian Collection at Kleinburg. It was used as a studio by Tom Thomson during those periods when he lived in the city. On a visit to the studio, J. Allyn Taylor (left), Chairman and President, Walter A. Bean (center), Deputy Chairman and Vice-President and Arthur H. Mingay, Vice-President and General Manager view Tom Thomson's "Pinecliff Rocks" on his original easel.

internally through increased earnings and adherence to a policy of relatively modest pay-out to shareholders.

ACCOUNTING

The financial statements in this report have been prepared to conform to generally accepted accounting principles as recommended by the Canadian Institute of Chartered Accountants. This has required two changes from our previous procedure.

- a) Extraordinary capital gains or losses are recorded through the earnings' statement.
- b) The reserve for securities and loans, previously carried as a liability, has been divided, with the tax-paid balance added to general reserve under shareholders' equity and the tax-allowed portion shown as an allowance for possible future losses and deducted from total investments.

We are proud that we were the first Company in the trust industry in Canada to adopt a policy of full disclosure in our annual statements. We are perhaps the last trust Company to adopt the changes described above. We have done so against our better judgment but in order to conform to presently accepted accounting principles. We are strongly of the opinion that the method of presentation used in prior years gave a more accurate picture of the Company's position to shareholders and general public alike.

SPECIFIC INVESTMENTS

Two developments during the year warrant specific mention:

First the formation of Truscan Realty Limited as a wholly-owned real estate subsidiary, made possible by recent changes in legislation. It will

provide a vehicle for more varied participation in real estate development as opportunity occurs.

Second, in conjunction with three chartered banks and other major financial institutions, incorporation of Insmor Mortgage Insurance Company. This company will insure mortgages beyond the 75% loan-to-value ratio. Its strong sponsorship should enable it to achieve an important share of the insurance market stemming from the rapid growth of good high-ratio loans.

HEAD OFFICE

During the past year we availed ourselves of an opportunity to move the Head Office facilities to a new development to be known as City Center, being planned for a tract of land one block east of our present location. As a tenant with a small equity position we will be the principal occupant of a twenty-story tower carrying the company name.

In recent years space limitations of the present Head Office building have made it necessary to locate a sizeable percentage of staff in rented space in other downtown premises. The move now in prospect will bring together again virtually all Head Office functions in London with attendant improved operating efficiency. At the same time since the new development promises to become the principal focal point of business in London, identification with it will underscore the long established prominence of our own position in the city.

We intend to permanently retain the present Head Office building, occupying vault space, main floor and mezzanine as a branch operation as at present and leasing the upper floors.

It is anticipated the move will take place in the latter part of 1974.

THE ENVIRONMENT

Our Annual Report last year expressed a concern-for-the-environment theme. This present Report continues that expression and during the fall and winter of 1972-73 we are sponsoring a series of five national television shows related to environmental subjects. The widespread response we are receiving will encourage us to pursue effort in this area whenever appropriate opportunity presents.

DIRECTORATE

Three new Directors were elected at the last Annual Meeting: Air Marshal Hugh Campbell, retired, Ottawa; Mr. Colin S. Glassco, Hamilton, Chairman Southam Printing Co. Ltd.; and Mr. John Stenason, Vice President Administration, Canadian Pacific Limited. In November Mr. E. C. Phillips, Vancouver, President, Westcoast Transmission Co. accepted an invitation to join the Vancouver Advisory Board.

We are unusually fortunate to have association with these four gentlemen, all prominent Canadians who bring much strength to our affairs.

With deepest regret we record the passing in November of Mr. Robert H. Reid of London, a long-time Director and member of our Executive Committee. His judgment and wise counsel had made an outstanding contribution to the Company.

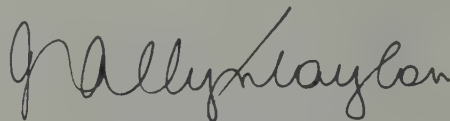
We also regretfully record the death of Mr. Percy R. Hilborn of Cambridge-Preston, an Honorary Director with lengthy valued association.

Unfortunately, because of statutory age limitation, Mr. H. L. McCulloch of Cambridge-Galt, will not be eligible for re-election to the Board next year; Mr. D. C. Dingwall of Winnipeg, because of anticipated change of residence related to his retirement, is withdrawing from the Manitoba Advisory Board; and Mr. W. C. Lawrence of

Brampton retired from the Halton & Peel Advisory Board. These gentlemen will be greatly missed.

APPRECIATION

I extend warm thanks to the two thousand men and women who comprise our management and staff. The capable and conscientious manner in which they conduct their various responsibilities is the principal source of our accomplishment.



*Chairman and President
London, Ontario, January 26, 1973*



FOREST, ALGOMA / ARTHUR LISMER
Painted 1922



OAK BLUFF/LIONEL LeMOINE FITZGERALD
Painted 1950

Consolidated Statement of Earnings Year Ended December 31, 1972

	1972	1971
Income		
Interest from loans	\$ 118,355,000	\$ 104,312,000
Income from securities	11,441,000	10,634,000
Estate, trust and agency fees	10,637,000	9,266,000
Real estate commissions	3,855,000	2,412,000
Other	4,285,000	4,329,000
	<u>148,573,000 ✓</u>	<u>130,953,000 ✓</u>
Expense		
Interest on deposits	92,779,000	84,573,000
Salaries and staff benefits	15,201,000	13,053,000
Commissions to real estate agents and salesmen	2,434,000	1,572,000
Other	13,925,000	11,972,000
	<u>124,339,000</u>	<u>111,170,000</u>
Earnings before income taxes	24,234,000	19,783,000
Income taxes <i>note 3</i>	11,280,000	9,621,000
NET OPERATING EARNINGS	<u>12,954,000 ✓</u>	<u>10,162,000 ✓</u>
Other additions		
Net gain on securities less income taxes	78,000 ✓	95,000 ✓
Gain on disposal of premises	150,000 ✓	—
Net Earnings <i>note 2</i>	<u>\$ 13,182,000 ✓</u>	<u>\$ 10,257,000 ✓</u>
Earnings per share		
Net operating earnings	\$ 2.35 ✓	\$ 1.84 ✓
Net gain on securities	.01 ✗	.02
Gain on disposal of premises	.03	—
Net earnings	<u>\$ 2.39 ✓</u>	<u>\$ 1.86 ✓</u>

Consolidated Balance Sheet December 31, 1972

ASSETS	1972	1971
Cash	\$ 14,281,000	\$ 11,253,000
Investments		
Securities <i>note 4</i>		
Bonds		
Government of Canada	140,584,000	125,167,000
Provinces of Canada	20,410,000	23,657,000
Other	35,817,000	25,702,000
	196,811,000	174,526,000
Stocks	18,846,000	14,432,000
(Market value 1972 \$226,722,000 1971 \$196,797,000)	215,657,000	188,958,000
Loans		
Mortgages		
Conventional	1,130,677,000	1,037,171,000
National Housing Act	220,572,000	171,003,000
	1,351,249,000	1,208,174,000
Personal loans	16,045,000	9,815,000
Loans on securities	40,913,000	31,920,000
Advances to estates, trusts and agencies	1,406,000	1,134,000
	1,409,613,000	1,251,043,000
Total investments	1,625,270,000	1,440,001,000
Less allowance for possible future losses <i>note 2</i>	18,877,000	18,877,000
	1,606,393,000	1,421,124,000
Other assets <i>note 5</i>	1,728,000	1,424,000
Premises and equipment <i>note 6</i>	23,386,000	22,673,000
	\$ 1,645,788,000 ✓	\$ 1,456,474,000 ✓

LIABILITIES

Deposits

	1972	1971
Demand	\$ 517,326,000	\$ 451,269,000
Deposit certificates	37,487,000	15,247,000
Term <i>upto 5 years, similar to 7500.</i>	1,022,608,000	931,149,000
	<u>1,577,421,000</u>	<u>1,397,665,000</u>

Other liabilities

Income taxes payable	3,725,000	2,330,000
Dividend payable	1,104,000	828,000
	<u>4,829,000</u>	<u>3,158,000</u>

Provision for future income taxes

855,000	739,000
---------	---------

SHAREHOLDERS' EQUITY

Capital

Authorized, 10,000,000 shares of \$2 each

Issued and fully paid, 5,521,088 shares	11,042,000	11,042,000
---	------------	------------

General reserve <i>note 2</i>	51,200,000	43,413,000
-------------------------------	------------	------------

Retained earnings	441,000	457,000
-------------------	---------	---------

<u>62,683,000</u>	<u>54,912,000</u>
-------------------	-------------------

<u>\$ 1,645,788,000</u>	<u>\$ 1,456,474,000</u>
-------------------------	-------------------------

Consolidated Statement of Retained Earnings Year Ended December 31, 1972

	1972	1971
Balance at beginning of year	\$ 457,000	\$ 462,000
Net earnings	13,182,000	10,257,000
	<u>13,639,000</u>	<u>10,719,000</u>
Deduct		
Dividends	5,411,000	3,313,000
Transfer to general reserve	7,787,000	6,949,000
	<u>13,198,000</u>	<u>10,262,000</u>
Balance at end of year	<u>\$ 441,000</u>	<u>\$ 457,000</u>

Consolidated Statement of General Reserve Year Ended December 31, 1972

	1972	1971
Balance at beginning of year		
As previously reported	\$ 38,300,000	\$ 33,400,000
Transfer of balance of reserve for securities and loans less \$18,877,000 reclassified as allowance for possible future losses <i>note 2</i>	5,113,000	3,064,000
As restated	<u>43,413,000</u>	<u>36,464,000</u>
Transfer from retained earnings	7,787,000	6,949,000
Balance at end of year	<u>\$ 51,200,000</u>	<u>\$ 43,413,000</u>

The undersigned officials of The Huron and Erie Mortgage Corporation and The Canada Trust Company hereby certify that they have examined the foregoing consolidated statements of said Companies and that to the best of their knowledge and belief the said consolidated statements are correct, and show truly and clearly the financial condition of the affairs of the Companies.

J. ALLYN TAYLOR Chairman and President
W. A. BEAN, Deputy Chairman and Vice-President
A. H. MINGAY, Vice-President and General Manager

Notes to Consolidated Financial Statements Year Ended December 31, 1972

1. Basis of consolidation

Included in the consolidated financial statements are the accounts of The Huron and Erie Mortgage Corporation, The Canada Trust Company and Truscan Realty Limited, a newly incorporated company.

Consolidated assets include \$798,564,000 in 1972 and \$702,965,000 in 1971, held to secure guaranteed trust deposits.

2. Changes in accounting and reporting practices

Net gains on securities less income taxes, and other non-recurring items, previously transferred directly to reserve for securities and loans, are now reported in the statement of earnings.

The reserve for securities and loans, previously reported as a separate item, included a tax paid portion of \$5,113,000 as at December 31, 1971 which has now been transferred to general reserve. The tax allowed balance of \$18,877,000 being the present maximum permitted under the Income Tax Act, was created prior to 1969 from charges to earnings and has been reclassified as allowance for possible future losses and deducted from investments.

The 1971 amounts have been restated to conform with the above changes and, as a result, net earnings for 1971 have not been materially affected.

3. Income taxes

Provision for future income taxes arises as a result of claiming capital cost allowances in excess of depreciation recorded in the accounts.

Income taxes accordingly are as follows:

	<u>1972</u>	<u>1971</u>
Currently payable	\$ 11,164,000	\$ 9,523,000
Provision for future	<u>116,000</u>	<u>98,000</u>
	<u>\$ 11,280,000</u>	<u>\$ 9,621,000</u>

4. Securities

Bonds are stated at amortized cost and stocks are stated at cost.

The market values at December 31, are:

	<u>1972</u>	<u>1971</u>
Bonds		
Government of Canada	\$141,127,000	\$127,908,000
Provinces of Canada	19,170,000	22,196,000
Other	<u>34,647,000</u>	<u>24,126,000</u>
	194,944,000	174,230,000
Stocks	<u>31,778,000</u>	<u>22,567,000</u>
	<u>\$226,722,000</u>	<u>\$196,797,000</u>

5. Other assets

Other assets are stated at cost and include real estate on hand of \$817,000 in 1972 and \$779,000 in 1971 which does not exceed estimated market value.

6. Premises and equipment

Premises and equipment are stated at cost, less accumulated depreciation of \$11,149,000 at December 31, 1972 and \$10,213,000 at December 31, 1971. Depreciation of \$1,147,000 for 1972 and \$1,007,000 for 1971 is computed on the straight line method and is included in other expenses.

Auditors' Report

To the Shareholders of
The Huron and Erie Mortgage Corporation.

We have examined the consolidated balance sheet of The Huron and Erie Mortgage Corporation and its subsidiary companies as at December 31, 1972 and the consolidated statements of earnings, retained earnings and general reserve for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books

of the companies, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1972 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the changes in accounting practice described in Note 2 to the consolidated financial statements.

THORNE GUNN & CO.
Chartered Accountants

January 19, 1973,
London, Canada.

CLARKSON, GORDON & CO.
Chartered Accountants

Ten Year Record

Results for year (000's Omitted)

Income

	1972	1971	1970
Interest from loans	\$ 118,355	\$ 104,312	\$ 90,629
Income from securities	11,441	10,634	11,062
Estate, trust and agency fees	10,637	9,266	9,033
Real estate commissions	3,855	2,412	—
Other	4,285	4,329	3,764
	<u>148,573</u>	<u>130,953</u>	<u>114,488</u>

Expense

Interest on deposits	92,779	84,573	80,660
Salaries and staff benefits	15,201	13,053	11,762
Commissions to real estate agents and salesmen	2,434	1,572	—
Other	13,925	11,972	10,423
	<u>124,339</u>	<u>111,170</u>	<u>102,845</u>

Earnings before income taxes

24,234 19,783 11,643

Income taxes

11,280 9,621 5,632

NET OPERATING EARNINGS note a

\$ 12,954 \$ 10,162 \$ 6,011

Dividends declared

\$ 5,411 \$ 3,313 \$ 2,836

Year end position (000's Omitted)

Assets under administration	\$ 3,755,000	\$ 3,253,000	\$ 2,852,000
Deposits	1,577,000	1,398,000	1,255,000
Loans	1,410,000	1,251,000	1,112,000
Estates, trusts and agencies	2,109,000	1,797,000	1,546,000
Shareholders' equity	62,683	54,912	48,133

Per share statistics

Net operating earnings notes a and b	\$ 2.35	\$ 1.84	\$ 1.18
Dividends declared	.98	.60	.56
Shareholders' equity	11.35	9.95	8.72
Number of shares outstanding (to the nearest thousand)	5,521	5,521	5,521

These statistics have been restated for 1971 and prior years to be on a comparable basis with current accounting practice. Prior to 1971 net real estate commissions were included in estate, trust and agency fees.

Note (a) Net operating earnings, as restated, do not reflect the provisions for possible future losses (see note 2 to the financial statements).

Note (b) Where applicable, net operating earnings per share are based on weighted average of shares outstanding during the year.

1969		1968		1967		1966		1965		1964		1963	
\$	72,218	\$	50,031	\$	39,666	\$	33,860	\$	28,795	\$	24,172	\$	20,136
	11,588		8,141		5,539		5,284		4,880		4,607		3,951
	7,767		6,360		5,165		4,832		4,489		3,936		3,411
	—		—		—		—		—		—		—
	3,452		3,202		1,456		1,199		995		768		939
	95,025		67,734		51,826		45,175		39,159		33,483		28,437
	64,109		42,313		30,231		25,155		20,951		17,942		15,091
	10,564		8,275		6,746		6,293		5,737		5,156		4,590
	—		—		—		—		—		—		—
	9,781		7,879		6,518		5,607		5,288		4,348		3,885
	84,454		58,467		43,495		37,055		31,976		27,446		23,566
	10,571		9,267		8,331		8,120		7,183		6,037		4,871
	5,117		4,527		3,961		3,934		3,495		2,909		2,373
\$	5,454	\$	4,740	\$	4,370	\$	4,186	\$	3,688	\$	3,128	\$	2,498
\$	2,554	\$	2,270	\$	1,720	\$	1,600	\$	1,328	\$	1,368	\$	957
\$	2,556,000	\$	2,214,000	\$	1,675,000	\$	1,491,000	\$	1,356,000	\$	1,149,000	\$	979,000
	1,139,000		997,000		662,000		596,000		527,000		444,000		375,000
	981,000		836,000		583,000		519,000		447,000		373,000		315,000
	1,375,000		1,197,000		977,000		860,000		795,000		669,000		564,000
	37,698		34,964		35,996		34,579		32,874		27,883		26,388
\$	1.11	\$	1.09	\$	1.09	\$	1.05	\$.94	\$.87	\$.72
	.52		.52		.43		.40		.32		.38		.28
	7.67		7.12		9.00		8.64		8.22		7.75		7.33
	4,912		4,912		4,000		4,000		4,000		3,600		3,600

BOARD OF DIRECTORS

All of those listed are Directors of Canada Trust except Henry Borden and J. B. Cronyn who are Directors of Huron & Erie. Those serving as Directors of both Companies are indicated by an asterisk().*

*A. E. BARRON, Toronto,
Chairman, Canadian Tire
Corporation Limited

*W. A. BEAN, Waterloo,
Deputy Chairman and Vice-President,
Canada Trust

W. J. BEATTY, Acton,
Retired Executive

W. J. BLACKBURN, London,
Publisher, London Free Press Printing
Company Limited

HENRY BORDEN, Toronto,
Corporate Director

G. M. BRAY, Kitchener,
Barrister and Solicitor

C. W. BRAZIER, Vancouver,
Barrister and Solicitor

D. W. BROWN, Kitchener,
Vice President, Automotive Operation,
Lear Siegler Incorporated

HUGH CAMPBELL, Ottawa,
Corporate Director

C. R. CLARKE, London,
General Counsel and Secretary,
Canada Trust

J. V. CLYNE, Vancouver,
Chairman, MacMillan Bloedel Limited

J. B. CRONYN, London,
Senior Vice President,
John Labatt Limited

G. H. DOBBIE, Cambridge—Galt,
President, Dobbie Industries Limited

THOMAS EDMONDSON, St. Catharines,
Chairman, Ferranti Packard Limited

W. W. FOOT, Kitchener,
Chairman,
Economical Mutual Insurance Company

C. S. GLASSCO, Hamilton,
Chairman,
The Southam Printing Company Limited

*J. D. HARRISON, London,
Barrister and Solicitor

W. H. HEMPHILL, Stratford,
President,
Imperial Furniture Mfg. Co. Ltd.

ELMORE HOUSER, Toronto,
Barrister and Solicitor

*A. H. JEFFERY, London,
President, London Life Insurance Company

R. A. KNIGHTON, London,
Senior Tax Consultant, Canada Trust

*TOM F. G. LAWSON, London,
President, Lawson & Jones Limited

*K. R. MacGREGOR, Waterloo,
President, The Mutual Life Assurance
Company of Canada

*O. E. MANNING, Oakville,
Retired Executive

C. A. MARTIN, Milton,
Farmer

H. S. MATTHEWS, Guelph,
Retired Executive

*M. C. G. MEIGHEN, Toronto,
Chairman, Canadian General
Investments Limited

E. D. L. MILLER, London,
Treasurer, Canada Trust

*A. H. MINGAY, London,
Vice-President and General Manager,
Canada Trust

J. E. MOTZ, Kitchener,
President and Publisher,
Kitchener-Waterloo Record

H. I. McCULLOCH, Cambridge—Galt,
Chairman, Gore Mutual Insurance Co.

W. J. MCGIBBON, Waterloo,
Barrister and Solicitor

DUNCAN McINTOSH, Cambridge—Galt,
President and Managing Director,
Gore Mutual Insurance Co.

C. O. NICKLE, Calgary,
President, Conventures Limited

G. E. ROBERTSON, Guelph,
Retired Executive

E. G. SCHAFER, Kitchener,
Retired Executive

J. E. F. SEAGRAM, Waterloo,
President,
Canada Barrels & Kegs Limited

G. E. SHARPE, Winnipeg,
President, Sharpe's Auto Electric Ltd.

W. H. SPRAGUE, Edmonton,
Chairman, Sprague Drug Limited

W. J. STENASON, Montreal,
Vice-President—Administration,
Canadian Pacific Limited

R. W. STEVENS, Toronto,
Barrister and Solicitor

J. D. STEVENSON, Toronto,
Barrister and Solicitor

J. J. STUART, Windsor,
Chairman and President,
J. T. Wing Limited

*J. A. TAYLOR, London,
Chairman and President, Canada Trust

NOAH TORNO, Toronto,
President, Gramercy Holdings Limited

A. S. UPTON, Kitchener,
Retired Executive

C. N. WEBER, Kitchener,
Chairman, C. N. Weber Limited

*G. E. G. WHITAKER, London,
Retired Executive

*J. D. WILSON, Vancouver,
Vice-President, Canada Trust

R. B. WILSON, Victoria,
President,
The B. Wilson Company Limited

R. D. WOLFE, Willowdale,
President, The Oshawa Group Limited

HONORARY DIRECTORS

V. P. CRONYN, London

GORDON FARRELL, Vancouver

H. H. LEATHER, Hamilton

J. W. SCOTT, Kitchener

M. J. SMITH, Waterloo

J. G. THOMPSON, London

A. E. WALFORD, Montreal

CLARENCE WALLACE, Vancouver



MOOSE POND / FRANK H. JOHNSTON
Painted 1918



ECLIPSE SOUND AND BYLOT ISLAND/LAWREN HARRIS
Painted 1930

GENERAL MANAGER'S REPORT

1972 was another very good year for Canada Trust, in fact a record year, with strong sustained growth in almost every area of our operations.

Assets under administration increased 15 per cent and net operating earnings 27 per cent. The spread between average interest earned and paid continued at a satisfactory level and throughout 1972 we enjoyed generally favourable economic and operating conditions. The results during the past few years have enabled us to build new capital from earnings and consequently we do not anticipate an immediate need for additional capital. Shareholders' equity and reserves now total over \$81 millions compared to \$48 millions five years ago and \$23 millions ten years ago.

What makes an organization such as Canada Trust successful? The answer is not solely size, location or number of Branches. In a service organization such as ours, competent, dedicated and involved individuals are absolutely essential to our success. In planning for the future this vitally important area is given high priority.

We are fortunate indeed to have a fine group of very capable employees. Many of our employees have become acknowledged experts in a variety of highly specialized areas. To assist all of our personnel in their continuing development, we provide a broad group of planning and development programs with many more planned for the years ahead. Our Salary Administration Program was substantially refined during the past year, and our approach is to provide competitive, equitable salaries on the understanding that high standards of performance are essential. A complete redesign of our Employee Benefit Program was accomplished in 1972 resulting in a new and improved benefit coverage for all employees.

We conduct formalized manpower planning and forecasting programs to ensure that we will have the qualified men and women required to



manage the opportunities of the future.

We are proud of our people and appreciate their intense interest in the Company's affairs. I record with pleasure our sincere gratitude for the significant contribution which they made to the continued growth and success of Canada Trust in 1972.

ORGANIZATION

During the year we completed the consolidation of our Regional organization and now have six Regions—British Columbia, Prairies, Toronto, Central Ontario, Southern Ontario and Eastern Canada.

In January, Mr. Melvin M. Hawkrigg, C.A. was appointed Vice-President—Toronto Region. In November, Mr. Mervyn L. Lahn formerly Assistant General Manager—Central Ontario Region assumed his new responsibilities as Deputy General Manager at Head Office. Mr. Lahn who is 39 joined the former Waterloo Trust 18 years ago and has had very broad experience in every facet of our business. Mr. A. H. Kerr

formerly Manager of Winnipeg Branch succeeded Mr. Lahn as Assistant General Manager—Central Ontario Region.

FINANCIAL SERVICES

Last year saw a continued strong expansion of our financial services to Canadians of all ages and walks of life. Our deposit customers, who provide



Continued growth in assets entrusted to our management during 1972, now totalling in excess of \$2 billion dollars, resulted in the relocation of the Investment Division to larger quarters in Toronto. Pictured above is the new trading area which incorporates the latest electronic information facilities.

us with the principal resources which support our ability to grow, increased their total balances by \$179 millions or 12.8 per cent during the year which compares to an increase of \$143 millions in 1971. Of this increase, demand balances grew \$66 millions or 14.6 per cent in the year and represented 37 per cent of the total deposit increase.

These funds were used to meet the many needs of our customers desiring loans. The mortgage operation processed applications totalling \$341 millions of which more than 95 per cent financed

the demands for housing accommodation ranging from single family residences to large apartment buildings. As a result of this activity, our mortgage investments increased by \$143 millions during the year or 11.8 per cent which compares with an increase of \$122 millions in 1971.

In addition our personal loan service continued to expand and loaned in excess of \$20 millions for a variety of purposes including car purchases, home improvements and other needs. Total personal loans increased \$6 millions during the year compared with \$4 millions during 1971.

We have during the past three years, been steadily reducing the term of our bond portfolio to the extent that the average maturity now stands at only three and a half years. This large short term portfolio combined with the very substantial cash flow from our mortgage portfolio provides us with excellent liquidity. 88 per cent of our mortgage portfolio matures within the next five years.

TRUST SERVICES

Our trust business continued to show very substantial growth and the complexities of administering this business seem to grow in direct proportion.

New tax legislation has required a major overhaul of our trust computer system and extension of record-keeping facilities required to provide the necessary data.

To assist our clients a new Tax Division was formed during the year and is headed by Mr. John Richardson, C.A. In 1973 we plan to introduce an income tax return service as a pilot project.

We are in the process of completing the reorganization of our sales force which will provide us with three distinct groups specializing in development of corporate business, estate planning and the marketing of our investment services.

Our Investment Division has been strengthened

further during the year as we believe highly qualified human resources provide the only key to superior performance and maximum growth for our clients.

REAL ESTATE

In 1972 further significant progress was made in developing a national real estate operation. Gross commissions increased to \$3.8 millions compared to \$2.4 millions in 1971. The total sales force now numbers 245 compared to 151 at the end of 1971. We now have 36 real estate offices across the country, an increase of 13 during the year. By the end of 1973 we plan to have 46 real estate offices selling real estate valued in excess of \$100 million dollars.

MARKETING

In 1972 the Company continued its balanced marketing programs. Aggressive approaches were implemented to gain new savings account, personal loan, retirement savings customers and real estate clients. The results of our efforts have been exceptionally good. At the same time the corporate program featuring nature seals and a series of National television shows on Canada reached a very responsive audience. Marketing strategy in 1973 will be to continue these programs along with new ones placing emphasis on our investment and trust services.

DATA PROCESSING

Our two computers are being replaced with a new more powerful model which will provide considerable increased capacity at a relatively modest increase in costs. Consideration is being given to a further extension of our On-Line savings system which now serves 35 of our Branches and handles over 60 per cent of the total volume of our Savings Departments.

BRANCH SYSTEM

In November 1972 we opened a new Branch in the Northland Shopping Mall in London, Ontario, giving us a total of 81 branches across Canada. We presently have four new branches planned for 1973—Vancouver-Kingsway, Hamilton Eastgate Square, Bramalea Shopping Mall and the John Galt Plaza in Cambridge, Ontario.

During the past year we have moved into new and enlarged quarters in Ottawa, Calgary, Brampton and Waterloo Erb.

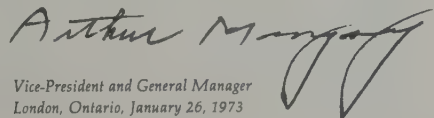
In 1973 our Kitchener—King and Ontario Branch will be renovated including completion of a new exterior. Cambridge—Galt Branch will be expanded and Halifax and Burlington—Brant Street Branch will move into fine new quarters.

THE FUTURE

No matter how successful we may have been in the past we realize that our methods in this rapidly changing world do not ensure continuing success. We have made a firm commitment to continue even more aggressively to innovate and change our methods to provide our existing clients and a growing group of new clients with an increasingly high standard of professional financial service.

In looking forward to the exciting future before us during the remainder of the 1970's, we appreciate that we cannot afford to make small plans and that we must have the courage to dream, the ability to organize and the strength to execute such plans.

Net profit in 1973 should show good growth over that of 1972.


Vice-President and General Manager
London, Ontario, January 26, 1973

ADVISORY BOARDS

NORTHERN ALBERTA

W. H. SPRAGUE, Edmonton,
Chairman, Sprague Drug Ltd.
F. T. JENNER, Edmonton,
Retired Executive
G. D. LOVE, Edmonton,
President, Oxford Leaseholds Limited
W. C. MacKENZIE, Edmonton,
Dean, Faculty of Medicine,
University of Alberta
D. R. B. McARTHUR, Edmonton,
President, Inland Cement Industries Ltd.
J. A. WEBER, Edmonton,
President, Weber Bros. Realty Ltd.

HALTON & PEEL

O. E. MANNING, Oakville,
Director, Canada Trust
J. T. ARMSTRONG, Georgetown,
Insurance Agent
J. R. BARBER, Georgetown,
President, Barber & Henley Limited
J. S. BEATTY, Oakville,
Retired Executive
W. J. BEATTY, Acton,
Retired Executive
M. C. BEATTY, Milton,
Real Estate Representative
A. G. CLARKSON, Streetsville
Fruit Farmer
F. M. EARLY, Brampton,
President, Early's Farm Supply Ltd.
REFORD GARDHOUSE, Milton,
Livestock Farmer
D. E. GOULDING, Toronto,
President, Goulding, Rose & Turner Ltd.
JOHN GOY, Acton,
President, Goy Cartage Ltd.
MICHAEL LEDWITH, Milton,
Real Estate and Insurance
C. A. MARTIN, Milton,
Farmer
W. H. McCAUGHERTY, Streetsville,
Retired Farmer
ANGUS McMILLAN, Oakville,
Barrister and Solicitor
JAMES PENGILLEY, Mississauga,
Retired Farmer

E. S. PORTEOUS, Dundas,
Retired Executive
E. E. SLACER, Oakville,
Retired Farmer
B. D. YOUNG, Campbellville,
Veterinarian

HAMILTON

C. S. GLASSCO, Hamilton,
Chairman,
The Southam Printing Company Limited
S. A. ALLAN, Hamilton,
Chairman, Reid Press Ltd.
W. R. CARTER, Hamilton,
President, Carters Limited
R. W. COOPER, Hamilton,
President,
Cooper Construction Co. (Eastern) Ltd.
F. W. DAKIN, Hamilton,
President, The G. W. Robinson Co. Ltd.
C. E. VAUGHAN, Hamilton,
Radiologist

MANITOBA

G. E. SHARPE, Winnipeg,
President, Sharpe's Auto Electric Ltd.
D. C. DINGWALL, Winnipeg,
President,
Henry Birks & Sons (Manitoba) Ltd.
H. B. MONK, Winnipeg,
Barrister and Solicitor
ALEXANDER ROBERTSON, Winnipeg,
President,
The Winnipeg Supply & Fuel Co. Ltd.

TORONTO

M. C. G. MEIGHEN, Toronto,
Chairman,
Canadian General Investments Ltd.
A. E. BARRON, Toronto,
Chairman,
Canadian Tire Corporation Ltd.
HENRY BORDEN, Toronto,
Corporate Director
W. H. CLARK, Thornhill,
Retired Executive
ELMORE HOUSER, Toronto,
Barrister and Solicitor
MARGARET P. HYNDMAN, Toronto,
Barrister and Solicitor

E. A. R. NEWSON, Toronto,
Barrister and Solicitor
R. W. STEVENS, Toronto,
Barrister and Solicitor
J. D. STEVENSON, Toronto,
Barrister and Solicitor
NOAH TORNØ, Toronto,
President, Gramercy Holdings Ltd.
R. D. WOLFE, Willowdale,
President, The Oshawa Group Limited

VANCOUVER

HONORARY CHAIRMAN
H. R. MacMILLAN, Retired Executive
J. V. CLYNE, Vancouver,
Chairman, MacMillan Bloedel Ltd.
H. CLARK BENTALL, Vancouver,
President,
Dominion Construction Company Ltd.
C. W. BRAZIER, Vancouver,
Barrister and Solicitor
JOHN M. BUCHANAN, Vancouver,
Retired Executive
RICHARD NELSON, Vancouver,
Chairman, Nelson Bros. Fisheries Ltd.
E. C. PHILLIPS, Vancouver,
President,
Westcoast Transmission Company Limited
CLARKE SIMPKINS, Vancouver,
President, Clarke Simpkins Ltd.
J. D. WILSON, Vancouver,
Vice-President, Canada Trust

VICTORIA

HONORARY CHAIRMAN
H. R. MacMILLAN,
Retired Executive
R. B. WILSON, Victoria,
President,
The B. Wilson Company Limited
F. N. CABELDU, Victoria,
Retired Executive
W. C. MEARNES, Victoria,
President, Rockcliffe Estates Ltd.
H. R. STEPHEN, Victoria,
Retired Executive
J. H. WILSON, Victoria,
President, W & J Wilson Ltd.



SPRING GARLAND / FRANKLIN CARMICHAEL

Painted circa 1928



MELTING SNOW/EDWIN HOLGATE
Painted 1948

CORPORATE MANAGEMENT GROUP



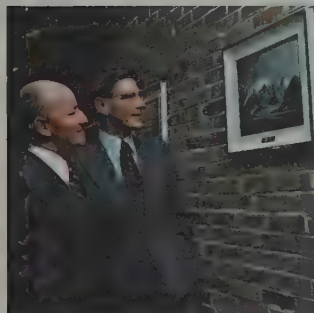
MERVYN L. LAHN,
Deputy General Manager



JOHN D. WILSON (right),
Vice-President,
British Columbia Region
MELVIN M. HAWKRIGG,
Vice-President,
Toronto Region



DONALD E. McLEAN (left),
Assistant General Manager,
Marketing Services
DEREK J. WARREN,
Assistant General Manager,
Prairie Region



CYRIL A. HOLDING (left),
Assistant General Manager,
Eastern Canada Region
JOHN H. SPEAKE,
Assistant General Manager,
Estates and Trusts



KEITH L. SUMNER (centre),
Assistant General Manager,
Finance
JAMES T. LINDORES (right),
Assistant General Manager,
Management Services
ARCHIE H. KERR,
Assistant General Manager,
Central Ontario Region



JOHN R. BIGGS (left),
Assistant General Manager,
Southern Ontario Region
CHARLES C. PARSONS,
Assistant General Manager,
Operations

BRANCH SYSTEM

BARRIE: 91 Dunlop St. E.
 BRAMPTON: 28 Main St. N.
 BRANDON: 636 Rosser Ave.
 BURLINGTON: Burlington Mall; 449 Brant St.
 CALGARY: 239-8th Ave. S.W.; Market Mall
 CHATHAM: 62 King St. W.
 DELHI: 118 Church St.
 DUNDAS: King W. at Sydenham
 EDMONTON: 10150-100th Street
 ELMIRA: 57 Arthur St.
 FERGUS: Tower at St. Andrews
 CAMBRIDGE—GALT: 44 Main St.
 GEORGETOWN: 55 Main St. N.
 GUELPH: Wyndham at Cork; Willow West Mall
 HALIFAX: 1657 Barrington St.
 HAMILTON: King at Hughson
 KINGSTON: 225 Bagot St.
 KITCHENER: King at Water; King at Ontario;
 693 Belmont Blvd.; Fairview Park Mall;
 Forest Hill Plaza; Stanley Park Mall
 LETHBRIDGE: 3rd Ave. South at 7th St. S.
 LONDON: Dundas at Clarence; 4 Covent Market Pl.;
 Dundas at English; Wortley at Elmwood;
 Richmond at University; Oakridge Plaza; 1253 Huron St.
 MEDICINE HAT: 3rd St. at 5th Ave. S.E.
 MILTON: Main at Charles
 MISSISSAUGA: 2580 Hurontario
 MONTREAL: 800 Dorchester Blvd. W.; 7040 St. Hubert St.
 MOOSE JAW: 318 Main St. N.
 NANAIMO: Commercial at Wharf
 NEW WESTMINSTER: 622-6th St.
 OAKVILLE: Lakeshore at Trafalgar
 OTTAWA: 170 Laurier Ave. W.
 PORT COLBORNE: Clarence at Elm
 CAMBRIDGE—PRESTON: King E. at Ergyle
 PRINCE GEORGE: Victoria at 5th
 RED DEER: 4928 Ross St.
 REGINA: 1921 Scarth at Victoria Pk.
 ST. CATHARINES: King at Queen; Pen Centre
 ST. THOMAS: Talbot at Elgin
 SARNIA: Christina at London; 139 Lochiel St.
 SASKATOON: 115-2nd Ave. N. at 22nd St. E.
 SIMCOE: Norfolk N. at Young

STRATFORD: Downie at Albert
 TORONTO: Yonge at Adelaide; St. Clair W. at Yonge;
 472 Eglinton Ave. W.; Bloor at the Kingsway;
 Markland Wood Plaza; Yonge at Erskine; Richview at Wincott;
 Shoppers' World; St. Andrews Plaza; Fairview Mall
 VANCOUVER: West Pender at Hornby; Cambie at 41st;
 Main St. at Hastings; 41st Ave. W. at Yew;
 Hastings at Kamloops; Denman at Comox; Park Royal Mall
 VICTORIA: View at Broad
 WATERLOO: Erb W. at King; Weber at Lincoln;
 Westmount Place
 WINDSOR: 190 University Ave. W.; Devonshire Mall
 WINNIPEG: Portage at Fort

Our new Corporate Headquarters in London will be part of the City Centre complex, scheduled for completion by the Fall of 1974.





PINE CLEFT ROCKS

Painted in 1915 in Algonquin Park, Ontario.
Original oil is 8½ x 10½ inches.

TOM THOMSON-1877-1917

Forty when he drowned in an Algonquin Park lake, Tom Thomson produced his best works in the final years of his life. Of these he compressed the finest and most characteristic art into the three years from 1914 to the summer of his death in 1917. His was a brief but brilliant career, the last years of which were spent almost alone in the forest. Tom Thomson was the stuff of legends. Today, his shack stands on the grounds of the McMichael Canadian Collection. His work, close by, within the McMichael Gallery, a constant reminder of his love for the land. Many of the artists with whom he worked became members of the Group of Seven, which changed membership occasionally, but in the main, retained the same core of adherents.

SERVICES

Responsibility for the effective conduct of the Company's affairs is one shared by management at all levels. The following are representative of this management team:

C. ROBERT CLARKE
General Counsel and Secretary

RONALD CLAYTON
Assistant Vice-President,
Toronto Region

DAVID M. COCKFIELD
Manager, Investment Division

DONALD C. KING
Manager, Loans Division

WALTER J. KUCHERPA
Manager, Real Estate Division

DONALD A. MacDONALD
Manager, Corporate Trust Division

PETER C. MAURICE
Manager, Corporate Planning

KENNETH T. McNAIR
Manager, Premises Division

KENNETH W. MESTON
Manager, Personal Trust Division

E. D. L. MILLER
Treasurer

ALAN D. MUNRO
Assistant Vice-President,
British Columbia Region

JACK OLDHAM
Manager,
Corporate Public Relations Division

ROBERT E. REDGWELL
Comptroller

JOHN D. RICHARDSON
Manager, Tax Division

HARRY A. SYER
Assistant General Manager,
Kitchener Main Branch

JOHN T. WALLACE
Manager, Pension and Funds Division

JAMES R. WILKEN
Manager, Deposit Services Division

GWYN E. WILLIAMS
Superintendent of Mortgages

The dedication of the Company to service is an ongoing process and remains a principal objective. Year by year we strive to improve that service, and to offer the most modern methods of doing business with and for our customers. New and improved skills will be required as the complexity of business increases.

Below we list some of the many services offered by our company.

Savings Accounts



Retirement Savings Plans



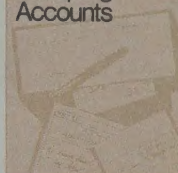
Estate Planning



Real Estate



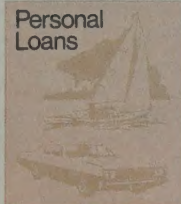
Chequing Accounts



Mortgages



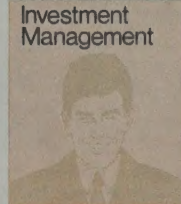
Personal Loans



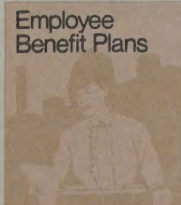
Corporate Services



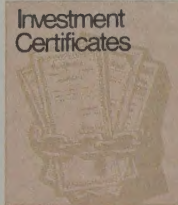
Investment Management



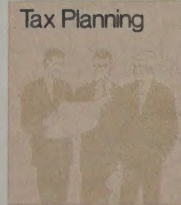
Employee Benefit Plans



Investment Certificates



Tax Planning



About the Artists...

FRANKLIN CARMICHAEL-1890-1945

The youngest of the Founding Members of the Group of Seven, Franklin Carmichael rarely attempted the grand effect—the fury of storm or blazing sunset. His was a lyrical style, capturing the foliage or passing shadows across the rolling forms of the La Cloche Hills and Lake Superior. Carmichael had a meditative character, a slightly Oriental trait about his work, as though nature's forms were seen through the mirror of recollection.

A. J. CASSON-1898-

A. J. Casson became a member in 1926. He was a protégé of Franklin Carmichael, from whom he learned the discipline and fastidiousness which enabled him to record, with affection, a multitude of small Ontario communities. It is in his water-colours that Casson's design sense can be seen at its purest. Crisp, almost dry, their washes are placed with precision within a framework of drawings. Pike Lake is an excellent example of this brilliant rendering.

LIONEL LeMOINE FITZGERALD-1890-1956

A member who joined the Group of Seven a number of years after its formation, was LeMoine Fitzgerald. The Manitoba artist became associated with the Group in 1932, and was the most famous painter of Canada's mid-west. His delicate handling of Winnipeg, the prairies, the fields and the barns gave them a new dimension, which at times, particularly with his pen drawings, became almost pure abstract. FitzGerald portrayed brilliantly the pure air and clear skies of his Manitoba birthplace.

LAWREN HARRIS-1885-1970

Resolute, luminous compositions, wrought with razor-edged clarity, became the hallmark of Lauren Harris. He was the theorist and intellectual of the Group of

Seven. From warm and relatively straightforward portraits of people and buildings, he developed an abstract style over the years. The north shore of Lake Superior, the Arctic Seas, the Rocky Mountains, brought forward the best of his artistic talents.

EDWIN HOLGATE-1892-

Here is another artist who joined the Group a number of years after its formation. Edwin Holgate became a member in 1931. Along with F. H. Varley he was the Group's painter of people. His figure studies of the 1920's and 1930's are some of the most important works of their kind created in Canada. With his background of the northland his subjects ranged from lumberjacks to Stephen Leacock. He was also the major painter of the nude. His landscapes of the Laurentians and British Columbia reveal the robust design which distinguishes all his works.

A. Y. JACKSON-1882-

Alexander Young Jackson is undoubtedly the best known and loved of Canadian artists. Born in Montreal, he has sketched from the Maritimes to the Pacific and as far north as the Arctic. He is a source of strength in the development and continuation of the McMichael Canadian Collection in Kleinburg, where he now lives. He has become a national institution, and in his earlier days, his enthusiasm reached beyond his own creative efforts to embrace the teaching of art across the nation. A. Y. Jackson loves our land and has become familiar with more square miles of Canadian earth than any other artist.

FRANK H. JOHNSTON-1888-1949

Although one of the Founding Members of the Group, Frank Johnston (later known as Franz) resigned in 1922. Unfortunately Group period paintings by the artist are rare, although his 1919-1920 renderings are as compelling as anything done by the Group at that time. His was a dramatic

style, with unusual perspectives which gave his work a very personal touch. He remained with the Group only briefly, afterwards becoming a teacher, and one of the most popular Canadian artists of his era.

ARTHUR LISMER-1885-1969

Canada's foremost art educator, Arthur Lismer divided his time between teaching and painting. He possessed the keenest wit in the Group and enlivened their meetings with brilliant shorthand caricatures. He was the Group of Seven's painter-biographer of the Georgian Bay District and he captured the Bay's vegetation and its horizons capped with islands, in lush oil studies. "Forest, Algoma," painted further north, is Lismer in his most reflective mood. His restless pencil and sense of humour captured the hearts of thousands of young Canadians with whom he came in contact.

J. E. H. MacDONALD-1873-1932

Goat Range was one of the last paintings in the life of J. E. H. MacDonald. His small oil paintings are among the most carefully designed sketches made by any member of the Group. As a mentor and counsellor, he guided and encouraged the careers of Tom Thomson and other distinguished artists. His finest canvasses are masterpieces of Canadian landscape artistry.

F. H. VARLEY-1881-1969

Frederick H. Varley was not a prolific artist. His fluent skill as a figure painter set him apart from most of the other Group members. However, he painted many landscapes and one of his most poetic was "Mountain Portage." Varley was known as the romantic of the Group. Until his later years he was always on the move to find a new landscape, an ideal model. He loved William Turner, and his contemporaries, and his work reflects their influence. Blue, violet and green were said to be his mystical hues and dominated his pictures, even in his portraits.



PIKE LAKE/A. J. CASSON
Painted 1929



Canada Trust